

**MINUTES OF THE
COMMERCE AND WORKFORCE SERVICES
APPROPRIATIONS SUBCOMMITTEE**
Room 110, West Office Building, State Capitol Complex
February 4, 2008

MEMBERS PRESENT: Sen. Jon Greiner, Co-Chairman
Rep. Michael Morley, Co-Chairman
Sen. Karen Mayne
Sen. Wayne Niederhauser
Rep. Sylvia Andersen
Rep. Jim Dunnigan
Rep. Craig Frank
Rep. Lynn Hemingway
Rep. Mark Wheatley
Rep. Larry Wiley

MEMBERS ABSENT: Sen. Mark Madsen

STAFF PRESENT: Danny Schoenfeld, Fiscal Analyst
Karen Mitchell, Committee Secretary

Note: A list of handouts and visitors lists will be filed with committee minutes.

Co-Chair Rep. Morley called the meeting to order at 2:05 p.m.

MOTION: Rep. Hemingway moved to approve the minutes of January 30, 2008. The motion passed unanimously. Sen. Niederhauser, Rep. Andersen, and Rep. Frank were absent for the vote.

Sen. Mayne presented a request from the Refugee Settlement Employment Services on behalf of Sen. Gene Davis. The \$100,000 one-time appropriation will be used to assist the refugee population with language skills, job development, education and other functional skills to assimilate into our society.

James Gonzales, Asian Association, further explained the need for the one-time allocation.

Department of Workforce Services

Joe Christensen, Deputy State Auditor assisted by Natalie Grange, State Auditor's Office, gave a brief overview of the Management Letter for the Department of Workforce Services. They explained to the committee the audit for the year ending June 30, 2007, was a financial and internal audit as well as a Federal Compliance audit.

Commerce and Workforce Services Appropriations Subcommittee

February 4, 2008

Page 2

Mr. Christensen stated they had discovered some deficiencies in the documentation of claims processed by the Department noting that they were unable to verify basis for some claims. It was also noted that when the new computer system (eREP) takes affect, the documentation of eligibility will be more readily visible. The Auditor noted that the Department is doing a better job of training their employees in the proper documentation of cases.

Mr. Christensen responded to questions from the committee.

Danny Schoenfeld, Fiscal Analyst, presented the Budget Brief for the Department of Workforce Services. Workforce Services integrates jobs placement, job training, welfare, child care, food stamps, unemployment insurance and labor market information. Created in 1997, the Department of Workforce Services started with 106 locations. After integrating services, it has 51 locations, including 36 one-stop employment centers.

The Analyst noted that the Department's current budget amount, with state and federal funds, is \$314 million with 1947 employees. He further stated that the average Child Care Assistance program availability has increased, while the General Assistance, and Unemployment Insurance programs have declined.

The Analyst recommends that the Legislature adopt the base budget amount of \$314,007,100 and the Child Care Step-Down on-going appropriation of \$502,000.

The Analyst further recommends Intent Language:

That the Department of Workforce Services be required to report during the 2008 Interim Session to Commerce and Workforce Services Appropriations Subcommittee the status and budget of eREP Program.

The Analyst discussed the Issue Brief for Department of Workforce Services (DWS) budget break-out of the eight largest programs comparing the operating expenses to the customer benefits.

The Analyst explained the Issue Brief for eREP stating that their original budget was a TANF grant in 2005 of \$34 million primarily from Federal Funds, which built the core services for the program. To this date, the total budget is close to \$80 million. Due to issues of completing, the eREP program is slated for completion in October 2008 with full implementation through out the entire state in March 2009.

The Analyst is recommending using a non-lapsing balance amount of \$3 million one-time General Fund in order to complete the eREP project. It was also noted that DWS will need additional support for the operation and maintenance of the project during the 2009 General Legislative Session.

Commerce and Workforce Services Appropriations Subcommittee

February 4, 2008

Page 3

Kristen Cox, Executive Director of DWS, assisted by Bill Greer, Chief Financial Officer, responded the the Auditor's report. Budget handouts were distributed to the committee.

The following assisted in the DWS 2009 appropriations request:

Palmer DePaulis, Executive Director DDC - Community and Culture

Aden Batar, United Africans of Utah

Steve Fletcher, Executive Director of Technology Services

Don Mueller, DWS eREP Consultant

Wes Woolstenhulme, eREP Information Analyst

Pamela Atkinson, Community Advocate

Lynette Rasmussen, Director of Child Care

Ms. Cox further detailed the TANF withdrawal funding request resulting from effective case management and caseload reduction credit.

Ms. Cox informed the committee that they had just received notification from the Federal Government that they were rescinding approximately \$2.1 million in funding. She went on to explain that the impact of this cut-back will be shutting down all training programs and there may be a reduction in funds that have already been appropriated to these programs. These cut-backs are a result of Congress taking cuts in domestic spending across the board. She further explained that the Department is trying to workout a solution to this problem but may have to come back to the committee for assistance.

Public Comment: Karen Silver, Advocate, Salt Lake Community Action Program, distributed a handout.

The Analyst provided the committee with a draft of Building Block Requests that will be acted upon at the February 7, 2008 meeting.

MOTION: Sen. Niederhauser moved to adjourn. The motion passed unanimously. Sen. Greiner adjourned the meeting at 3:54 p.m.

Sen. Jon Greiner, Co-Chair

Rep. Michael Morley, Co-Chair